NOTES.

THE unexpected success of the recent sale of $100,000,000 of bonds for gold with which to replenish the diminishing gold reserve in the Government Treasury gives rise to reflections of opposing sorts. The fact that the price obtained for a "coin" bond was much higher than that secured from the Morgan Syndicate in February 1895, evidently implies a greater general confidence in the stability of our gold standard. The peculiar circumstances under which this sale of bonds has taken place, the loan being the *dernier ressort* of the administration, after Congress failed to do anything; the sagacity in making the offer of bonds appear to be a "popular loan," but really supported by strong syndicates —all advertised the sale as has seldom been the case hitherto. Every holder of gold in the land knew of the sale. This had much to do with the large subscription. But the prospect of a large oversubscription became known a day or two before the sale, and helped to raise the prices bid.

THE phenomenal success of the sale had, moreover, some reflex influences. The imagination of the country was touched; the national pride satisfied; and the total amount of bonds subscribed for was—although fallaceously—regarded as evidence of a corresponding amount of gold held by the subscribers. This event produced a general belief in the intention and ability of the public to support the maintenance of the existing standard. And since general trade conditions had been unfavorable because of doubt as to the stability of the standard since 1893 and even before, this effect of the bond sale aided to bring about a belief in better times. This, also, acted to improve the prices of government bonds; for the chance that "coin" would mean gold in the future was made more certain. So that the strategy of the silver party in passing through the Senate a free coinage measure, to embarrass the maintenance of the gold standard, was regarded, as distinctly checked by this overwhelming subscription by the country. This opinion was strikingly confirmed by the rejection of the free silver measure in the House by a vote of 215 to 90.

On the other hand, the Treasury ran great risks by adopting the idea of a "popular loan." It made possible the withdrawal of gold from the Treasury with which to buy the bonds. And that this is no small matter is proved by the premium on gold and United States notes even after the award of bonds to the bidders. These notes would not have been at a premium, unless they were bought up in order to be presented for gold. For this reason, the real success of the loan — as a means of replenishing the reserve — cannot be determined as yet. The large subscription, therefore, is not all that it may seem at first blush; for it is already clear that the reserve is not to be increased by the whole proceeds of the sale. The amount by which the possible reserve is lessened is the price paid by the administration for choosing not to employ a syndicate which would have agreed not to withdraw any gold from the Treasury. The reserve, moreover, after the bond sale, stands unsupported by any compact influence.

The assumption that, because the bonds must be paid for in gold, the total subscription of over $550,000,000 showed the presence of an equal amount of gold in private hands is quite unwarranted. It is doubtful if this transaction throws any light on the vexed question as to the quantity of gold held in the country outside of the visible reserves. It is probable that the foreign immigrants in the West and Northwest, retaining European habits of hoarding, have considerable stocks of gold; but they are unlikely customers for government bonds in this country. In short, there is abundant evidence to show that many bidders for bonds expected to obtain gold through the banks, and consequently from the known sources of supply of gold. And even after the award of bonds, gold and "greenbacks" bear a premium of from ¼ to ½. This does not show that unsuccessful bidders had, in many cases, large stocks of gold.

The ultimate success of the loan is to be looked for in another quarter. If the replenishment of the reserve and the new-born confidence prove permanent, and if a belief in the maintenance of our standard again grows, we may hope to see a return to a payment of gold funds for customs to the Treasury. This will be the surest test. When shrewd bankers, acting for importers, are willing again to part with their supplies of gold, carefully accumulated since 1890, and are

willing to pay gold for duties, in the belief that it will freely come out again, then and not before then may we be certain that the fright as to the standard has been allayed. An operation which will, in a measure, assist in this consummation is the practical withdrawal from circulation for a time of all the "greenbacks" which have been presented for gold; and if receipts nearly equal expenditures, these may not come out immediately. For these reasons, it seems strange that the Treasury should regard the moderate presentation of "greenbacks" for gold with disfavor.

THE one marked feature of discouragement in the whole situation, however, appears in the deliberate and open flouting of all monetary sense by the refusal of Congress to meet the very serious emergencies into which the country had drifted. That the game of politics should have been played before the whole country so openly and with such cynical disregard of the needs of the business public is certainly discouraging. But it is the habit of voters to surprise the politicians when they find a chance to express their indignation at the polls. Still it should be remembered that the majority in favor of silver in the Senate is only six, and that the rejection of four silver senators by their states would reverse the majority after March 4, 1897. Probably the silver party will never again be as strong in the Senate as it is now; for the admission of new mining states cannot be again repeated, and time will bring better sense to many.

ÉMILE LEVASSEUR, who was sent to this country by the Institute in 1893 to report upon the condition of American labor, will divide his work into three parts: (1) The Laborer at Work, (2) The Laborer at Home, and (3) Labor Problems. The first part has been completed, and comprises chapters on the following subjects: Fifty Years' Progress of American Industry; Productivity of Machine and Hand Labor in Large and Small Industries; Legislation on Labor and Workshops; Unions and Labor Organizations; Men's Wages; Wages of Women and Children; Sweating System; Immigration; Strikes, Boycotts and Lockouts; Crises and Stoppages; Arbitration; Causes regulating Wages. This first volume will not appear before the end of the year.